

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

REVISED SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB 98-1215-0705

ELECTIONS: UNIT Z-49 (herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on July 19, 1999 which was recorded at Deed Book 778, Page 462 in the Office of the Clerk of the Circuit Court of Tazewell County, Virginia, on July 21, 1999, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is no longer required with regard to Unit Z-49;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the



affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Effective Date: This Order shall be effective on the date of its execution.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

<u>Conclusion</u>: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

DONE AND EXECUTED this 1811 day of Suptember, 2003, by a majority of the Virginia Gas and Oil Board.

STATE OF VIRGINIA COUNTY OF WISE

Acknowledged on this day of September 2003, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan & Sanett Susan G. Garrett, Notary

My commission expires: 7-31-06.

DONE AND PERFORMED THIS 24 D day of Splend, 2003, by Order of the Board.

B. R. Wilson,

Principal Executive to the Board

STATE OF VIRGINIA COUNTY OF WASHINGTON

Acknowledged on this 26 day of September, 2003, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

My commission expires: 9/30/05.

Diane J. Davis, Notary

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit Z-49 VGOB 98-1215-0705 in the Maiden Springs District of Tazewell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager – Environmental / Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on July 19, 1999, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on July 21, 1999;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of July 19, 1999;

See attached Exhibit B-3 (100% Leased)

8K 0 8 9 0 PG 0 8 2 4

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

None (all conflict resolved)

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

James W. Harman, Jr., S. Laird Harman, Bettie H. St. Clair, The Estate of Minnie Harman, Inc., Evelyn H. Harman, James W. Harman, III, Jonathan H. Harman and M-M-M New Life, Inc.

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That after the pooling hearing held in the captioned matter, CNX Gas Company LLC has purchased the interest previously identified as M-M-M New Life, Inc., listed on the annexed Exhibit B-2 and should be dismissed as Respondents by reason of the fact that they no longer have an ownership interest in Tract 1.

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

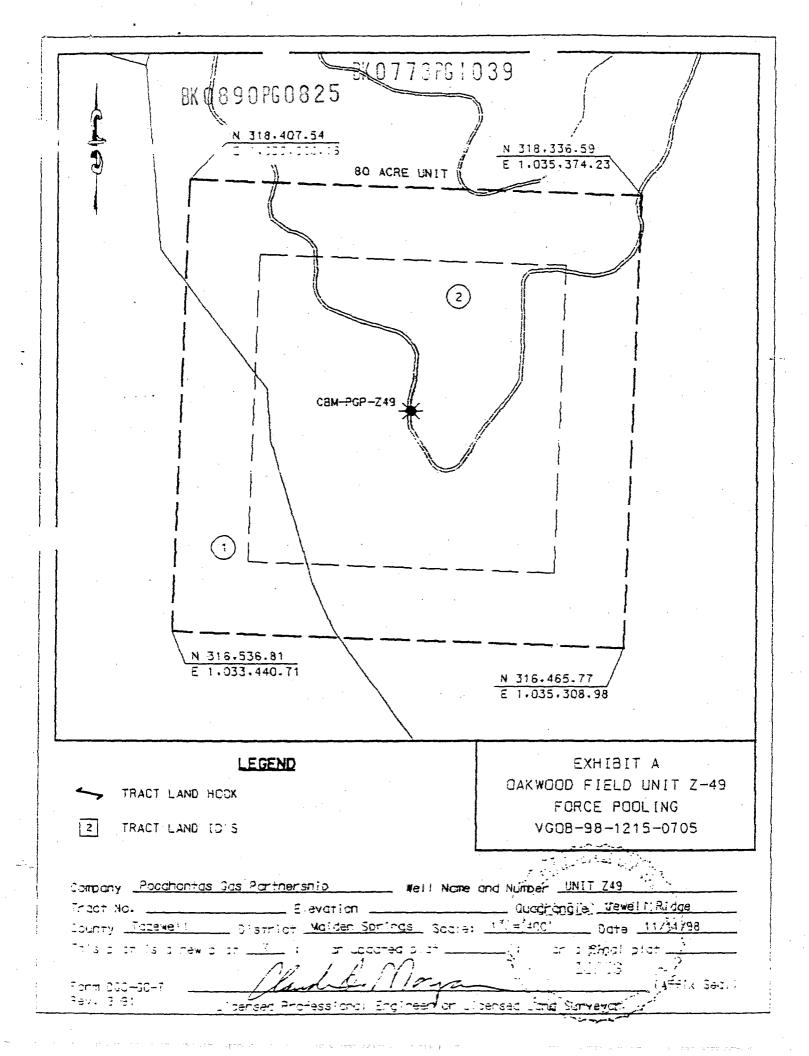
Dated at Tazewell, Virginia, this 12 th day of Septembee, 2003.

Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Manager - Environmental / Permitting, on behalf of the corporate Designated Operator, this 12 day of 5e tember, 2003.

Notary

My commission expires: 2904



POCAHONTAS GAS PARTNERSHIP

UNIT Z-49 Tract Identifications

- 1. James W. Harman Jr. et al P-3 seam Coal M-M-M Inc. Remainder of Coal, Oil & Gas Reserve Coal Properties Co. Coal Lessee 12.86 acres 16.0750%
- Southern Region Industrial Realty Corp. Et al. Tr. 1 Coal, Oil & Gas (except P-3 seam)
 Reserve Coal Properties (Owner P-3 Seam)
 Coal Lessees
 Anker Virginia Mining Company Inc. All seams except P-3, Raven, Tiller and Lower Seaboard
 Jewell Ridge Coal Corporation Raven, Tiller and Lower Seaboard
 Pocahontas Gas Partnership Oil & Gas Lessee
 Pocahontas Gas Partnership CBM Lessee
 67.14 acres

Exhibit B-2 Unit Z-49 BK 0 8 9 0 PG 0 8 2 7 VGOB Docket #VGOB 98-1215-0705 List of Respondents to be Dismissed

			Net Acres in Unit	Interest in Unit	Reason for Dismissal	
ſ.	COAL	FEE OWNERSHIP				
	TRACT	T #1 - 12.86 acres				
	(1)	James W. Harman, Jr., et al. (Pocahontas No.3 Seam)	12.86 acres	16.07500%		
	(а) James W. Harman Jr. c/o Diana Coulthard, Trust Officer First Community Bank P.O. Box 950 Bluefield, WV 24701	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(b) S. Laird Harman 233 Grace Lane NE Riner, VA 24149	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(c	e) Bettie H. St Clair 104 Dial Rock Road North Tazewell, VA 24630	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(d	l) The Estate of Minnie E. Harman, Inc. P.O. Box 323 Tazewell, VA 24651	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(е	e) Evelyn H. Harman 1924 Glenwood Park Road Princeton, WV 24740	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(f	r) James W. Harman, III Rt.3 Box 803 Tazewell, VA 24651	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(g) Jonathan H. Harman 2727 Mountain View Avenue Bluefield, WV 24701	1.84 acres 1/7 of 12.86 acres	2.29643%	Leased	
	(2)	M-M-M New Life, Inc. (all other seams) P. O. Box 1026 Richlands, VA 24641			Purchased by CNX	
n.	OIL & GAS FEE OWNERSHIP					
	TRACT	<u> </u>				
	(1)	M-M-M New Life, Inc. P. O. Box 1026 Richlands, VA 24641	12.86 acres	16.07500%	Purchased by CNX	

Exhibit B-3 Unit Z-49

Docket #VGOB 98-1215-0705 List of Unleased Owners/Claimants

Net Acres in Unit Interest in Unit

This unit is 100% Leased

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Exhibit EE Unit Z-49

Docket #VGOB 98-1215-0705

List of Conflicting Owners/Claimants with Royalty Split Agreements

		Net Acres in Unit	Interest in Unit
\ <u>CT #1 - 12.86</u> a	acres		
COAL	FEE OWNERSHIP		
(1)	James W. Harman, Jr., et al. (Pocahontas No.3 Seam)	12.86 acres	16.075009
(a)) James W. Harman Jr. c/o Diana Coulthard, Trust Officer First Community Bank P.O. Box 950 Bluefield, WV 24701	1.84 acres 1/7 of 12.86 acres	2.296439
(b)) S. Laird Harman 233 Grace Lane NE Riner, VA 24149	1.84 acres 1/7 of 12.86 acres	2.296439
(c)) Bettie H. St Clair 104 Dial Rock Road North Tazewell, VA 24630	1.84 acres 1/7 of 12.86 acres	2.296439
(ď) The Estate of Minnie E. Harman, Inc. P.O. Box 323 Tazewell, VA 24651	1.84 acres 1/7 of 12.86 acres	2.29643%
(e)) Evelyn H. Harman 1924 Glenwood Park Road Princeton, WV 24740	1.84 acres 1/7 of 12.86 acres	2.29643%
(f) James W. Harman, III Rt.3 Box 803 Tazewell, VA 24651	1.84 acres 1/7 of 12.86 acres	2.296439
(g) Jonathan H. Harman 2727 Mountain View Avenue Bluefield, WV 24701	1.84 acres 1/7 of 12.86 acres	2.29643%
OIL &	GAS FEE OWNERSHIP		
(1)	CNX Gas Company LLC (previously M-M-M New Life, Inc.) P. O. Box 947 Bluefield, VA 24605	12.86 acres	16.07500%

INSTRUMENT #030005512 RECORDED IN THE CLERK'S OFFICE OF TAZEWELL COUNTY ON SEPTEMBER 26, 2003 AT 10:34A*